

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF TENNESSEE
KNOXVILLE, TENNESSEE

IN RE:
ETHICS CONSTRUCTION
COMPANY, LLC,
Debtor.

No. 3:18-BK- 33093-SHB
Chapter 7

NOTICE OF HEARING

A hearing will be held on May 23, 2019 at 9:00 a.m. in Courtroom 1-C, First Floor, Howard H. Baker, Jr., United States Courthouse, 800 Market Street, Suite 330, Knoxville, Tennessee 37902. If you do not want the Court to grant the relief requested, you or your attorney must attend this hearing. If you do not attend the hearing, the Court may decide that you do not oppose the relief sought in the motion and may enter an order granting the relief.

Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one in this bankruptcy case. If you do not have an attorney, you may wish to consult one.

MOTION OF SCOTT TATE AND ENID TATE FOR RELIEF OF THE AUTOMATIC STAY TO PURSUE LIABILITY INSURANCE POLICY PROCEEDS ONLY

Scott Tate and Enid Tate (collectively “Tate”), by and through counsel, moves the Court for relief of the automatic stay of 11 U.S.C. § 362, and states the following in support thereof:

1. Tate contracted with the Debtor, Ethics Construction Company, LLC, for the construction of a home. Tate initially filed suit in the Chancery Court for Knox County, Tennessee, seeking damages from the Debtor, in Scott Tate and Enid Tate v. Ethics Construction Company, LLC, Michael Dulin and Arthur Rutenberg Homes, Inc., Knox County Chancery Court Docket No. 196345-3 (“Case”). In their lawsuit, Tate has alleged state law causes of action against Debtor only.

2. Due to the filing of this present Chapter 7 case, the Case as to Ethics has been stayed.

3. Through the discovery of information during this Chapter 7 case, Tate has received and confirmed that Debtor is insured for its construction activities, which include those giving rise to Tate's claims and causes of action in the Case, by a commercial liability insurance policy issued by Westover Insurance.

4. Tate seeks relief from the automatic stay to pursue in the Case its state law claims against the Debtor provided that Tate hereby agrees and states that they will limit their recovery against Debtor in the Case, if any, to only those amounts within the limits and covered by the Debtor's commercial insurance policy, if any.

5. Tate further states that it will not look to any other assets of the Debtor's estate for the relief sought in their lawsuit.

6. Since Debtor would not owe Tate any monies for the causes of action giving rise to the Case because Tate agrees to look only to Debtor's applicable insurance policy, if any, Tate respectfully moves this Honorable Court to grant relief from the stay, allowing them to pursue Debtor, Ethics Construction Company, LLC, in the above Case asserting all applicable causes of action through said insurance policy limits only.

Submitted this the 29th day of April, 2019.

BERNSTEIN, STAIR & McADAMS LLP

By: /s/W. Tyler Chastain
W. TYLER CHASTAIN(BPR # 019408)
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CERTIFICATE OF SERVICE

I certify that a true and exact copy of the **Motion for Relief of the Automatic Stay** and **Order for Relief of the Automatic Stay**, including copies of the attachments or their pertinent excerpts, and **Notice of Hearing** has been served upon the following individuals by placing the same in the United States Mail postage prepaid (USM) or electronically (ECF):

Ethics Construction Company, LLC (USM)
2575 Willow Point Way, Suite 105,
Knoxville, Tennessee 37931-3163

Ryan E. Jarrard (ECF)
Quist, Fitzpatrick & Jarrard
2121 First Tennessee Plaza
Knoxville, TN 37929

Ann Mostoller (ECF)
136 South Illinois Ave.
Suite 104
Oak Ridge, TN 37830

United States Trustee (ECF)
800 Market Street, Suite 114
Howard H. Baker Jr. U.S. Courthouse
Knoxville, TN 37902

This the 29th day of April, 2019.

/s/ W. Tyler Chastain
W. Tyler Chastain, Esq. (BPR #016029)